

FY07 – HSA Facts

- **Maximum monthly contribution is 1/12 (one-twelfth) of the annual deductible of the PPO-H health plan.** The annual deductible for employee only coverage is **\$1,400**, and **\$2,800** for coverage of an employee and any number of dependents. This means the monthly maximums will be \$116.66 for employee only and \$233.33 for employee plus dependents.
- **Minimum monthly contribution is \$25 (separate from the employee's contribution for PPO-H medical insurance coverage).**
- HSAs are offered in conjunction with the PPO-H health plan, although you can select the PPO-H *without* participating in the HSA.
- Contributions to the State's HSA are taken on a post-tax basis, but contributions can be a deduction on income taxes without itemizing.
- An employee **CANNOT** participate in both an HSA and a Health Care Flexible Spending Account (FSA), although an HSA participant *can* participate in the Dependent Care FSA.
- One-time, employee-paid set up fee of **\$10.00**.
- Monthly, employee-paid administrative fee of **\$3.50**.
- All HSA fees will be deducted from the HSA itself. Total employee-paid annual fees for FY06 will be **\$52.00**.
- You are free to explore HSA options beyond the State's HSA, but the federal rules that stipulate that an HSA must be in conjunction with an HSA-qualified health plan (a high-deductible health plan) still apply.
- HSA enrollees age 55 or older may deposit additional funds directly through Mellon Financial. The maximum "catch-up" contribution for these employees with the State's HSA program is \$700 for 2006. For employees currently enrolled in the HSA for FY06, this means they can contribute an additional \$700 for all of calendar year 2006. For new HSA enrollees for FY07, they can contribute an additional \$350 for the remainder of calendar year 2006, which is the first half of plan year FY07 (this represents a pro-rated amount of the \$700 allowed by the federal government for the 2006 tax/calendar year).